



ANNUAL STATEMENT
For the Year Ending December 31, 2004
OF THE CONDITION AND AFFAIRS OF THE
HealthPlus of Michigan, Inc.

NAIC Group Code	3409 (Current Period)	3409 (Prior Period)	NAIC Company Code	95580	Employer's ID Number	38-2160688
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[X] No[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated	08/09/1977		Commenced Business	10/15/1979		
Statutory Home Office	2050 South Linden Road (Street and Number)		Flint, MI 48532 (City, or Town, State and Zip Code)			
Main Administrative Office			2050 South Linden Road (Street and Number)			
	Flint, MI 48532 (City or Town, State and Zip Code)		(800)332-9161 (Area Code) (Telephone Number)			
Mail Address	2050 South Linden Road, P.O. Box 1700 (Street and Number or P.O. Box)		Flint, MI 48501-1700 (City, or Town, State and Zip Code)			
Primary Location of Books and Records			2050 South Linden Road (Street and Number)			
	Flint, MI 48532 (City, or Town, State and Zip Code)		(800)332-9161 (Area Code) (Telephone Number)			
Internet Website Address	www.healthplus.com					
Statutory Statement Contact	Matthew Andrew Mendrygal, C.P.A. (Name)		(810)230-2179 (Area Code)(Telephone Number)(Extension)			
	mmendrygal@healthplus.com (E-Mail Address)		(810)230-2208 (Fax Number)			
Policyowner Relations Contact			2050 South Linden Road, P.O. Box 1700 (Street and Number)			
	Flint, MI 48501-1700 (City, or Town, State and Zip Code)		(800)332-9161 (Area Code) (Telephone Number)(Extension)			

OFFICERS

Name	Title
David Paul Crosby	President
Matthew Andrew Mendrygal C.P.A.	Chief Financial Officer
Roger LaVerne Sharp	Treasurer

OTHERS

Dan Ellis Champney Esq., Vice President - Human Resources/General Counsel
Laraine Bernadette Yapo, Vice President - Health Care Services
John Jacob Saalwaechter MD,MBA,CPE, Vice President - Chief Medical Officer

Bruce Robert Hill, Vice President - Health System/Purchaser Relations
Christine Marie Tomcala, Vice President - Gov't Programs/Member Services
Nancy Susan Jenkins, Vice President - Sales/Product Development #

DIRECTORS OR TRUSTEES

Jack Louis Barry MD
Harold Leslie Mallon DDS
Gerald Edward Piesko DO
James Joseph Wascha Esq.
Stephanie Lynn Whisiker-Lewis DO
Patrick Allen Campbell
Roger LaVerne Sharp

Vern Lee Burns
Penelope Drake Pestronk
Peggy Joyce Tortorice
James Michael Van Tiflin
Christopher John Flores
Larry Leigh Carr DO
Robert John Roth

State of Michigan
County of Genesee ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) David Paul Crosby (Printed Name) President (Title)	(Signature) Matthew Andrew Mendrygal (Printed Name) Chief Financial Officer (Title)	(Signature) Roger LaVerne Sharp (Printed Name) Treasurer (Title)
Subscribed and sworn to before me this day of , 2005	a. Is this an original filing? b. If no, 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes[X] No[]
(Notary Public Signature)		

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	4,020,159		4,020,159	3,770,661
2.	Stocks (Schedule D)				
2.1	Preferred stocks				
2.2	Common Stocks	8,547,796		8,547,796	8,135,318
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$..... encumbrances)	5,125,591		5,125,591	5,318,762
4.2	Properties held for the production of income (less \$..... encumbrances)				
4.3	Properties held for sale (less \$..... encumbrances)				
5.	Cash (\$.....16,596,391 Schedule E Part 1), cash equivalents (\$..... Schedule E Part 2) and short-term investments (\$.....40,176,218 Schedule DA)	56,772,609		56,772,609	48,580,064
6.	Contract loans (including \$..... premium notes)				
7.	Other invested assets (Schedule BA)	7,898,071		7,898,071	7,295,785
8.	Receivable for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	82,364,226		82,364,226	73,100,590
11.	Investment income due and accrued	146,871		146,871	134,994
12.	Premiums and considerations				
12.1	Uncollected premiums and agents' balances in the course of collection	1,882,014		1,882,014	1,318,143
12.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$..... earned but unbilled premiums)				
12.3	Accrued retrospective premiums				
13.	Reinsurance:				
13.1	Amounts recoverable from reinsurers				
13.2	Funds held by or deposited with reinsured companies				
13.3	Other amounts receivable under reinsurance contracts				
14.	Amounts receivable relating to uninsured plans				
15.1	Current federal and foreign income tax recoverable and interest thereon				
15.2	Net deferred tax asset				
16.	Guaranty funds receivable or on deposit				
17.	Electronic data processing equipment and software	2,017,987	1,037,438	980,549	896,144
18.	Furniture and equipment, including health care delivery assets (\$.....)	624,507	281,028	343,479	356,264
19.	Net adjustment in assets and liabilities due to foreign exchange rates				
20.	Receivables from parent, subsidiaries and affiliates	25,525		25,525	303,475
21.	Health care (\$.....6,280,074) and other amounts receivable	6,323,942	942,739	5,381,203	5,436,815
22.	Other assets nonadmitted	1,145,708	1,145,708		
23.	Aggregate write-ins for other than invested assets				
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	94,530,780	3,406,913	91,123,867	81,546,425
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	Total (Lines 24 and 25)	94,530,780	3,406,913	91,123,867	81,546,425
DETAILS OF WRITE-INS					
0901	.....			
0902	.....			
0903	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301	.....			
2302	.....			
2303	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded)	39,832,007		39,832,007	37,159,794
2.	Accrued medical incentive pool and bonus amounts	7,960,343		7,960,343	6,055,777
3.	Unpaid claims adjustment expenses	314,284		314,284	338,843
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	5,661,365		5,661,365	4,949,377
9.	General expenses due or accrued	3,833,168		3,833,168	4,345,094
10.1	Current federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others	31,371		31,371	75,958
13.	Remittance and items not allocated				
14.	Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
15.	Amounts due to parent, subsidiaries and affiliates	870		870	
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured accident and health plans				
21.	Aggregate write-ins for other liabilities (including \$.....52,586 current)	52,586		52,586	60,350
22.	Total liabilities (Lines 1 to 21)	57,685,994		57,685,994	52,985,193
23.	Common capital stock	X X X	X X X		
24.	Preferred capital stock	X X X	X X X		
25.	Gross paid in and contributed surplus	X X X	X X X	170,511	170,511
26.	Surplus notes	X X X	X X X		
27.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
28.	Unassigned funds (surplus)	X X X	X X X	33,267,362	28,390,721
29.	Less treasury stock, at cost:	X X X	X X X		
29.1	..... shares common (value included in Line 23 \$.....)	X X X	X X X		
29.2	..... shares preferred (value included in Line 24 \$.....)	X X X	X X X		
30.	Total capital and surplus (Lines 23 to 28 minus Line 29)	X X X	X X X	33,437,873	28,561,232
31.	Total Liabilities, capital and surplus (Lines 22 and 30)	X X X	X X X	91,123,867	81,546,425
DETAILS OF WRITE-INS					
2101.	Other Current Liabilities	52,586		52,586	60,350
2102	.....			
2103	.....			
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	52,586		52,586	60,350
2701	.....	X X X	X X X		
2702	.....	X X X	X X X		
2703	.....	X X X	X X X		
2798.	Summary of remaining write-ins for Line 27 from overflow page	X X X	X X X		
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	1,258,910	1,287,996
2.	Net premium income (including \$..... non-health premium income)	X X X	365,381,075	328,602,269
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$..... medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	Total revenues (Lines 2 to 7)	X X X	365,381,075	328,602,269
Hospital and Medical:				
9.	Hospital/medical benefits		248,919,116	219,753,427
10.	Other professional services			
11.	Outside referrals			
12.	Emergency room and out-of-area			
13.	Prescription drugs		77,719,949	77,141,964
14.	Aggregate write-ins for other hospital and medical		19,340	18,388
15.	Incentive pool, withhold adjustments and bonus amounts		7,170,589	5,216,043
16.	Subtotal (Lines 9 to 15)		333,828,994	302,129,822
Less:				
17.	Net reinsurance recoveries			
18.	Total hospital and medical (Lines 16 minus 17)		333,828,994	302,129,822
19.	Non-health claims			
20.	Claims adjustment expenses, including \$.....4,475,073 cost containment expenses		6,415,133	5,642,167
21.	General administrative expenses		19,452,340	17,026,205
22.	Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)		359,696,467	324,798,194
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	5,684,608	3,804,075
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		1,267,204	1,090,270
26.	Net realized capital gains (losses)		(67,212)	5,739
27.	Net investment gains (losses) (Lines 25 plus 26)		1,199,992	1,096,009
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)]			
29.	Aggregate write-ins for other income or expenses		36,146	29,159
30.	Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	6,920,746	4,929,243
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	6,920,746	4,929,243
DETAILS OF WRITE-INS				
0601	.....	X X X		
0602	.....	X X X		
0603	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701	.....	X X X		
0702	.....	X X X		
0703	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	Other Medical Expense		19,340	18,388
1402	.....		
1403	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		19,340	18,388
2901.	Gain/(loss) on disposal of Fixed Assets			(982)
2902.	Other Revenue		36,146	30,141
2903	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		36,146	29,159

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	28,561,232	24,916,786
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34.	Net income or (loss) from Line 32	6,920,746	4,929,243
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Net unrealized capital gains and losses	(1,405,098)	(1,593,719)
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	(639,007)	308,922
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	4,876,641	3,644,446
49.	Capital and surplus end of reporting year (Line 33 plus 48)	33,437,873	28,561,232
DETAILS OF WRITE-INS			
4701	.....	
4702	.....	
4703	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	365,529,192	331,347,663
2.	Net investment income	1,255,327	1,227,780
3.	Miscellaneous income		
4.	Total (Lines 1 through 3)	366,784,519	332,575,443
5.	Benefit and loss related payments	329,264,555	310,441,013
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	25,398,585	20,684,500
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) \$..... net of tax on capital gains (losses)		
10.	Total (Lines 5 through 9)	354,663,140	331,125,513
11.	Net cash from operations (Line 4 minus 10)	12,121,379	1,449,930
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	500,000	250,000
12.2	Stocks	431,294	4,576,989
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments	152	
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	931,446	4,826,989
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	753,063	750,392
13.2	Stocks	418,521	422,048
13.3	Mortgage loans		
13.4	Real estate	219,292	30,922
13.5	Other invested assets	2,500,000	8,324,360
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)	3,890,876	9,527,722
14.	Net increase (decrease) in policy loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(2,959,430)	(4,700,733)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(969,404)	(2,244,053)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(969,404)	(2,244,053)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
18.	Net change in cash and short-term investments (Line 11, plus Lines 15 and 17)	8,192,545	(5,494,856)
19.	Cash and short-term investments:		
19.1	Beginning of year	48,580,064	54,074,920
19.2	End of year (Line 18 plus Line 19.1)	56,772,609	48,580,064

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001			
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

(Gain and Loss Exhibit)

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical)	279,765,428		86,243	279,679,185
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employee Health Benefits Plan	7,413,312		2,016	7,411,296
6.	Title XVIII - Medicare	41,883,300		4,252	41,879,048
7.	Title XIX - Medicaid				
8.	Stop loss				
9.	Disability income				
10.	Long-term care				
11.	Other health	36,411,546			36,411,546
12.	Health subtotal (Lines 1 through 11)	365,473,586		92,511	365,381,075
13.	Life				
14.	Property/casualty				
15.	TOTALS (Lines 12 to 14)	365,473,586		92,511	365,381,075

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - Claims Incurred During the Year

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1.	Payments during the year:													
	1.1 Direct	323,986,192	253,608,697				5,614,553	33,511,308	89,571				31,162,063	
	1.2 Reinsurance assumed													
	1.3 Reinsurance ceded													
	1.4 Net	323,986,192	253,608,697				5,614,553	33,511,308	89,571				31,162,063	
2.	Paid medical incentive pools and bonuses	5,174,106	4,464,900				271,012	448,222	(10,028)					
3.	Claim liability December 31, current year from Part 2A:													
	3.1 Direct	39,832,007	29,583,653				731,169	6,490,534					3,026,651	
	3.2 Reinsurance assumed													
	3.3 Reinsurance ceded													
	3.4 Net	39,832,007	29,583,653				731,169	6,490,534					3,026,651	
4.	Claim reserve December 31, current year from Part 2D:													
	4.1 Direct													
	4.2 Reinsurance assumed													
	4.3 Reinsurance ceded													
	4.4 Net													
5.	Accrued medical incentive pools and bonuses, current year	4,813,659	5,058,348				450,125	147,909	(842,723)					
6.	Amounts recoverable from reinsurers December 31, current year													
7.	Claim liability December 31, prior year from Part 2A:													
	7.1 Direct	37,159,794	30,409,937				575,532	3,255,190	89,571				2,829,564	
	7.2 Reinsurance assumed													
	7.3 Reinsurance ceded													
	7.4 Net	37,159,794	30,409,937				575,532	3,255,190	89,571				2,829,564	
8.	Claim reserve December 31, prior year from Part 2D:													
	8.1 Direct													
	8.2 Reinsurance assumed													
	8.3 Reinsurance ceded													
	8.4 Net													
9.	Accrued medical incentive pools and bonuses, prior year	2,817,176	3,153,350				271,012	245,565	(852,751)					
10.	Amounts recoverable from reinsurers December 31, prior year ..													
11.	Incurred benefits:													
	11.1 Direct	326,658,405	252,782,413				5,770,190	36,746,652					31,359,150	
	11.2 Reinsurance assumed													
	11.3 Reinsurance ceded													
	11.4 Net	326,658,405	252,782,413				5,770,190	36,746,652					31,359,150	
12.	Incurred medical incentive pools and bonuses	7,170,589	6,369,898				450,125	350,566						

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - Claims Liability End of Current Year

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1.	Reported in Process of Adjustment:													
	1.1 Direct	11,262,575	8,495,798				360,614	2,209,473					196,690	
	1.2 Reinsurance assumed													
	1.3 Reinsurance ceded													
	1.4 Net	11,262,575	8,495,798				360,614	2,209,473					196,690	
2.	Incurred but Unreported:													
	2.1 Direct	21,891,814	15,728,255				250,596	3,083,002					2,829,961	
	2.2 Reinsurance assumed													
	2.3 Reinsurance ceded													
	2.4 Net	21,891,814	15,728,255				250,596	3,083,002					2,829,961	
3.	Amounts Withheld from Paid Claims and Capitations:													
	3.1 Direct	6,677,618	5,359,601				119,958	1,198,059						
	3.2 Reinsurance assumed													
	3.3 Reinsurance ceded													
	3.4 Net	6,677,618	5,359,601				119,958	1,198,059						
4.	TOTALS													
	4.1 Direct	39,832,007	29,583,654				731,168	6,490,534					3,026,651	
	4.2 Reinsurance assumed													
	4.3 Reinsurance ceded													
	4.4 Net	39,832,007	29,583,654				731,168	6,490,534					3,026,651	

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical)	29,011,041	224,597,655	1,353,188	28,230,465	30,364,229	30,409,937
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan	568,468	5,046,085		731,169	568,468	575,532
6.	Title XVIII - Medicare	2,919,237	30,592,071	166,563	6,323,971	3,085,800	3,255,191
7.	Title XIX - Medicaid	89,571				89,571	89,571
8.	Other health	2,591,827	28,570,236	22,646	3,004,005	2,614,473	2,829,564
9.	Health subtotal (Lines 1 to 8)	35,180,144	288,806,047	1,542,397	38,289,610	36,722,541	37,159,795
10.	Other non-health						
11.	Medical incentive pool and bonus amounts	3,615,184	1,558,922	(926,852)	5,740,511	2,688,332	2,817,176
12.	TOTALS (Lines 9 to 11)	38,795,328	290,364,969	615,545	44,030,121	39,410,873	39,976,971

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	46,438				
2.	2000	238,206	38,151			
3.	2001	X X X	285,534	39,069		
4.	2002	X X X	X X X	327,425	47,986	
5.	2003	X X X	X X X	X X X	263,309	38,795
6.	2004	X X X	X X X	X X X	X X X	290,364

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	46,438				
2.	2000	283,978	39,915			
3.	2001	X X X	321,484	40,445		
4.	2002	X X X	X X X	372,217	45,783	
5.	2003	X X X	X X X	X X X	302,901	39,410
6.	2004	X X X	X X X	X X X	X X X	334,394

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2000	306,946	276,355			276,355	90.034			276,355	90.034
2.	2001	344,237	324,603	144	0.044	324,747	94.338			324,747	94.338
3.	2002	395,280	375,414	1,518	0.404	376,932	95.358			376,932	95.358
4.	2003	328,699	302,105	1,699	0.562	303,804	92.426	616	9	304,429	92.616
5.	2004	365,473	290,364	1,712	0.590	292,076	79.917	44,030	305	336,411	92.048

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	32,514				
2.	2000	149,310	25,812			
3.	2001	X X X	164,544	27,854		
4.	2002	X X X	X X X	186,715	35,555	
5.	2003	X X X	X X X	X X X	214,214	32,163
6.	2004	X X X	X X X	X X X	X X X	225,910

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	32,514				
2.	2000	181,304	28,655			
3.	2001	X X X	188,817	29,234		
4.	2002	X X X	X X X	218,707	33,794	
5.	2003	X X X	X X X	X X X	246,748	33,467
6.	2004	X X X	X X X	X X X	X X X	259,248

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	2000	183,237	175,121			175,121	95.571			175,121	95.571
2.	2001	200,453	192,398	103	0.054	192,501	96.033			192,501	96.033
3.	2002	234,301	222,273	904	0.407	223,177	95.252			223,177	95.252
4.	2003	263,387	246,378	1,385	0.562	247,763	94.068	1,304	9	249,076	94.567
5.	2004	279,765	225,910	1,332	0.590	227,242	81.226	33,338	238	260,818	93.228

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)
Federal Employees Health Benefits Plan Premiums
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	335				
2.	2000	1,267	156			
3.	2001	X X X	1,904	439		
4.	2002	X X X	X X X	3,174	668	
5.	2003	X X X	X X X	X X X	4,069	839
6.	2004	X X X	X X X	X X X	X X X	5,046

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	335				
2.	2000	1,459	155			
3.	2001	X X X	2,394	217		
4.	2002	X X X	X X X	3,839	405	
5.	2003	X X X	X X X	X X X	4,915	839
6.	2004	X X X	X X X	X X X	X X X	6,227

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2000	1,649	1,423			1,423	86.295			1,423	86.295
2.	2001	2,732	2,343	1	0.043	2,344	85.798			2,344	85.798
3.	2002	4,308	3,842	14	0.364	3,856	89.508			3,856	89.508
4.	2003	5,624	4,908	28	0.570	4,936	87.767			4,936	87.767
5.	2004	7,413	5,046	30	0.595	5,076	68.474	1,181		6,257	84.406

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	1,655				
2.	2000	6,016	1,284			
3.	2001	X X X	14,311	2,860		
4.	2002	X X X	X X X	18,787	3,651	
5.	2003	X X X	X X X	X X X	19,480	3,121
6.	2004	X X X	X X X	X X X	X X X	30,838

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	1,655				
2.	2000	7,281	1,374			
3.	2001	X X X	16,777	3,025		
4.	2002	X X X	X X X	22,309	3,589	
5.	2003	X X X	X X X	X X X	22,896	3,253
6.	2004	X X X	X X X	X X X	X X X	37,345

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	2000	7,368	7,300			7,300	99.077			7,300	99.077
2.	2001	18,278	17,171	11	0.064	17,182	94.004			17,182	94.004
3.	2002	24,787	22,438	93	0.414	22,531	90.898			22,531	90.898
4.	2003	26,365	22,601	127	0.562	22,728	86.205	131		22,859	86.702
5.	2004	41,883	30,838	182	0.590	31,020	74.063	6,507	43	37,570	89.702

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	8,903				
2.	2000	64,296	8,030			
3.	2001	X X X	86,588	5,348		
4.	2002	X X X	X X X	96,877	5,346	
5.	2003	X X X	X X X	X X X		80
6.	2004	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	8,903				
2.	2000	73,131	6,812			
3.	2001	X X X	92,585	5,366		
4.	2002	X X X	X X X	102,571	5,195	
5.	2003	X X X	X X X	X X X		(763)
6.	2004	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2000	92,697	72,326			72,326	78.024			72,326	78.024
2.	2001	100,586	91,936	19	0.021	91,955	91.419			91,955	91.419
3.	2002	103,709	102,223	406	0.397	102,629	98.959			102,629	98.959
4.	2003	13	80			80	615.385	(842)		(762)	(5,861.538)
5.	2004										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	3,031				
2.	2000	17,317	2,869			
3.	2001	X X X	18,187	2,568		
4.	2002	X X X	X X X	21,872	2,766	
5.	2003	X X X	X X X	X X X	25,546	2,592
6.	2004	X X X	X X X	X X X	X X X	28,570

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 2000	2 2001	3 2002	4 2003	5 2004
1.	Prior	3,031				
2.	2000	20,803	2,919			
3.	2001	X X X	20,911	2,603		
4.	2002	X X X	X X X	24,791	2,800	
5.	2003	X X X	X X X	X X X	28,342	2,614
6.	2004	X X X	X X X	X X X	X X X	31,574

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2000	21,995	20,185			20,185	91.771			20,185	91.771
2.	2001	22,188	20,755	10	0.048	20,765	93.587			20,765	93.587
3.	2002	28,175	24,638	101	0.410	24,739	87.805			24,739	87.805
4.	2003	33,310	28,138	159	0.565	28,297	84.950	23		28,320	85.020
5.	2004	36,412	28,570	168	0.588	28,738	78.925	3,004	24	31,766	87.240

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9	10	11	12
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
POLICY RESERVE												
1. Unearned premium reserves												
2. Additional policy reserves (a)												
3. Reserve for future contingent benefits												
4. Reserve for rate credits or experience rating refunds (including \$#####) for investment income												
5. Aggregate write-ins for other policy reserves												
6. Totals (gross)												
7. Reinsurance ceded												
8. Totals (Net) (Page 3, Line 4)												
CLAIM RESERVE												
9. Present value of amounts not yet due on claims												
10. Reserve for future contingent benefits												
11. Aggregate write-ins for other claim reserves												
12. Totals (gross)												
13. Reinsurance ceded												
14. Totals (Net) (Page 3, Line 7)												
DETAILS OF WRITE-INS												
0501												
0502												
0503												
0598. Summary of remaining write-ins for Line 5 from overflow page ..												
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)												
1101												
1102												
1103												
1198. Summary of remaining write-ins for Line 11 from overflow page ..												
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)												

(a) Includes \$. premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$..... for occupancy of own building)			186,535		186,535
2.	Salaries, wages and other benefits	2,657,998	1,540,706	20,522,427		24,721,131
3.	Commissions (less \$..... ceded plus \$..... assumed)			1,291,708		1,291,708
4.	Legal fees and expenses			481,447		481,447
5.	Certifications and accreditation fees					
6.	Auditing, actuarial and other consulting services			135,274		135,274
7.	Traveling expenses	24,451	568	482,286		507,305
8.	Marketing and advertising			1,765,299		1,765,299
9.	Postage, express and telephone	69,060	131,092	788,251		988,403
10.	Printing and office supplies	25,997	29,174	1,217,502		1,272,673
11.	Occupancy, depreciation and amortization			1,160,079		1,160,079
12.	Equipment			255,904		255,904
13.	Cost or depreciation of EDP equipment and software			2,094,529		2,094,529
14.	Outsourced services including EDP, claims, and other services	1,436,427	150,036	1,459,532		3,045,995
15.	Boards, bureaus and association fees	14,113		258,152		272,265
16.	Insurance, except on real estate			488,999		488,999
17.	Collection and bank service charges			81,424	83,724	165,148
18.	Group service and administration fees					
19.	Reimbursements by uninsured accident and health plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses				172,160	172,160
22.	Real estate taxes			162,000		162,000
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes					
23.2	State premium taxes					
23.3	Regulator authority licenses and fees					
23.4	Payroll taxes	282,761	27,090	1,153,959		1,463,810
23.5	Other (excluding federal income and real estate taxes)			9,161		9,161
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses	9,937	15,723	(14,542,128)		(14,516,468)
26.	Total expenses incurred (Lines 1 to 25)	4,520,744	1,894,389	19,452,340	255,884	(a) 26,123,357
27.	Less expenses unpaid December 31, current year			3,833,168		3,833,168
28.	Add expenses unpaid December 31, prior year	238,783	100,060	4,345,094		4,683,937
29.	Amounts receivable relating to uninsured accident and health plans, prior year					
30.	Amounts receivable relating to uninsured accident and health plans, current year					
31.	Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	4,759,527	1,994,449	19,964,266	255,884	26,974,126
DETAILS OF WRITE-INS						
2501.	Conferences, Seminars, and Training	9,339	14,397	215,911		239,647
2502.	Charitable Contributions			222,945		222,945
2503.	Affiliates Administrative Allocation			(15,130,797)		(15,130,797)
2598.	Summary of remaining write-ins for Line 25 from overflow page	598	1,326	149,813		151,737
2599.	Totals (Lines 2501 through 2503 + 2598)(Line 25 above)	9,937	15,723	(14,542,128)		(14,516,468)

(a) Includes management fees of \$..... to affiliates and \$..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a)..... 50,250	..... 53,618
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a)..... 162,968	..... 160,291
1.3	Bonds of affiliates	(a).....	.....
2.1	Preferred stocks (unaffiliated)	(b).....	.....
2.11	Preferred stocks of affiliates	(b).....	.....
2.2	Common stocks (unaffiliated) .....	..... 210,224	..... 230,764
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d)..... 182,536	..... 182,536
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e)..... 857,936	..... 849,840
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	..... 46,039	..... 46,039
10.	Total gross investment income .....	..... 1,509,953	..... 1,523,088
11.	Investment expenses		(g)..... 255,884
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....
16.	Total deductions (Lines 11 through 15) .....		..... 255,884
17.	Net Investment income (Line 10 minus Line 16) .....		..... 1,267,204
DETAILS OF WRITE-INS			
0901.	Investment Advisory Fee Rebates .....	..... 46,039	..... 46,039
0902	.....	.....	.....
0903	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	..... 46,039	..... 46,039
1501	.....		.....
1502	.....		.....
1503	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....		.....
(a) Includes \$.....2,187 accrual of discount less \$.....5,751 amortization of premium and less \$.....4,346 paid for accrued interest on purchases.			
(b) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued dividends on purchases.			
(c) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.			
(d) Includes \$..... for company's occupancy of its own buildings; and excluding \$..... interest on encumbrances.			
(e) Includes \$.....1,386 accrual of discount less \$.....44,626 amortization of premium and less \$..... paid for accrued interest on purchases.			
(f) Includes \$..... accrual of discount less \$..... amortization of premium.			
(g) Includes \$.....255,884 investment expenses and \$..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$..... interest on surplus notes and \$..... interest on capital notes.			
(i) Includes \$..... depreciation on real estate and \$..... depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Total
1.	U.S. Government bonds				
1.1	Bonds exempt from U.S. tax				
1.2	Other bonds (unaffiliated)				
1.3	Bonds of affiliates				
2.1	Preferred stocks (unaffiliated)				
2.11	Preferred stocks of affiliates				
2.2	Common stocks (unaffiliated) .....	..... (67,364)		..... 492,616	..... 425,252
2.21	Common stocks of affiliates				
3.	Mortgage loans				
4.	Real estate				
5.	Contract loans				
6.	Cash, cash equivalents and short-term investments .....	..... 152			..... 152
7.	Derivative instruments				
8.	Other invested assets .....			..... (1,897,714)	..... (1,897,714)
9.	Aggregate write-ins for capital gains (losses)				
10.	Total capital gains (losses) .....	..... (67,212)		..... (1,405,098)	..... (1,472,310)
DETAILS OF WRITE-INS					
0901	.....			
0902	.....			
0903	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)				

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company		1,746	1,746
4.2	Properties occupied by the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Other invested assets (Schedule BA)			
8.	Receivable for securities			
9.	Aggregate write-ins for invested assets			
10.	Subtotals, cash and invested assets (Lines 1 to 9)		1,746	1,746
11.	Invested income due and accrued			
12.	Premium and considerations:			
12.1	Uncollected premiums and agents' balances in the course of collection			
12.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
12.3	Accrued retrospective premiums			
13.	Reinsurance:			
13.1	Amounts recoverable from reinsurers			
13.2	Funds held by or deposited with reinsured companies			
13.3	Other amounts receivable under reinsurance contracts			
14.	Amounts receivable relating to uninsured plans			
15.1	Current federal and foreign income tax recoverable and interest thereon			
15.2	Net deferred tax asset			
16.	Guaranty funds receivable or on deposit			
17.	Electronic data processing equipment and software	1,037,438	816,464	(220,974)
18.	Furniture and equipment, including health care delivery assets	281,028	62,870	(218,158)
19.	Net adjustment in assets and liabilities due to foreign exchange rates			
20.	Receivable from parent, subsidiaries and affiliates			
21.	Health care and other amounts receivable	942,739	1,094,959	152,220
22.	Other assets nonadmitted	1,145,708	791,867	(353,841)
23.	Aggregate write-ins for other than invested assets			
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	3,406,913	2,767,906	(639,007)
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26.	Total (Lines 24 and 25)	3,406,913	2,767,906	(639,007)
DETAILS OF WRITE-INS				
0901	.....		
0902	.....		
0903	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page			
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)			
2301	.....		
2302	.....		
2303	.....		
2398.	Summary of remaining write-ins for Line 23 from overflow page			
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)			

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	100,929	99,062	98,606	97,576	96,474	1,177,083
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service	6,687	6,899	6,828	6,725	6,792	81,827
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	107,616	105,961	105,434	104,301	103,266	1,258,910
DETAILS OF WRITE-INS							
0601	.....					
0602	.....					
0603	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statement

1. Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of HealthPlus of Michigan, Inc. (the Company) have been prepared in conformity with the 2004 NAIC Annual Statement Instructions and the NAIC Accounting Practices and Procedures Manual as of March 2004, to the extent that the accounting practices, procedures, and reporting standards are not modified by the Michigan Insurance Code or the 2004 Forms and Instructions for Required Filings in Michigan.

B. Management Estimates

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premium revenue is recognized in the month that members are entitled to health care services. The liability for incurred medical and hospital claims is accrued in the period during which the services are provided and includes estimates of services performed, which have not been reported to the Company.

The Company reports the value of its home office building at depreciated cost on Schedule A - Part 1. The fair value reported on Schedule A - Part 1 is based on a market analysis prepared for the Company by Mr. Winfield Cooper, President, Cooper Commercial, dated May 31, 2002.

In addition, the company uses the following accounting policies:

- 1) Short Term Investments are stated at amortized cost.
- 2) Bonds not backed by other loans are principally stated at amortized cost using the Seriatim Method.
- 3) Common Stocks are reported at market value.
- 4) The Company has no Preferred Stocks to report.
- 5) The Company has no mortgage loans to report.
- 6) Loan Backed Securities are stated at amortized cost.
- 7) The Company carries its investment in HealthPlus Partners, Inc. at Statutory Equity, and its investment in HealthPlus Options at audited GAAP equity.
- 8) The Company has no ownership interests in joint ventures or limited liability companies.
- 9) The Company has no derivatives to report.
- 10) The Company has not calculated any premium deficiency reserves.
- 11) Unpaid claims include amounts determined from individual case estimates and amounts based on past experiences, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- 12) The Company has not modified its capitalization policy from the prior period.

2. Accounting Changes and Corrections of Errors

A. Accounting changes and corrections of errors.

The Company did not discover any material errors or make any material changes in accounting principles in the Year Ended December 31, 2004.

Notes to Financial Statement

- B. Cumulative effect of changes in accounting principles as a result of the initial implementation of Codification.

The State of Michigan has elected to phase in the implementation of the NAIC Accounting Practices and Procedures Manual effective January 1, 2001 (Codification), starting with the first quarter of 2003 as it relates to certain SSAP's. As a result of this phase in, the Company has reported \$290,963 of furniture and equipment and \$52,516 of leasehold improvements that would otherwise be non-admitted.

3. Business Combinations and Goodwill

None.

4. Discontinued Operations

None.

5. Investments – Mortgage Loans, Debt Restructuring, Reverse Mortgages, Loan-Backed Securities, Repurchase Agreements

The Company does not have any mortgage loans, debt restructuring, reverse mortgages or repurchase agreements to report.

The Company's Loan-Backed Securities are reported at amortized cost. The Scientific Prospective method of amortization is applied. A PSA (Public Securities Association) rate of 100 is used to determine prepayment assumptions.

The Company has no impairment losses on real estate to report and does not engage in retail land sales.

6. Joint Ventures, Partnerships and Limited Liability Companies

None.

7. Investment Income

The Company does not exclude any investment income due and accrued.

8. Derivative Instruments

None.

9. Income Taxes

The Company is exempt from Federal income tax under Internal Revenue Code Section 501(c)(4). The Company is also exempt from Michigan Single Business Tax.

10. Information Concerning Parent, Subsidiaries and Affiliates

HealthPlus Options, Inc. (HPO) is a wholly owned subsidiary of the Company. HPO began operations in 1990 as a third party administrator. The Company provides administrative services to HPO, and HPO pays the Company a monthly management fee for these services. Those fees amounted to approximately \$3,000,000 in 2004 and \$2,844,000 in 2003. The Company reports its investment in HPO at audited GAAP equity which amounted to \$585,481 as of December 31, 2004 and is reported on page 2, line 7.

Notes to Financial Statement

HealthPlus Partners, Inc. (HPP) is a wholly-owned not-for-profit subsidiary of HealthPlus of Michigan, Inc. HPP is a state licensed Health Maintenance Organization serving Medicaid members in the greater Flint and Saginaw regions and began operations on January 1, 2003. The Company reports its investment in HPP at statutory equity which amounted to \$7,312,591 as of December 31, 2004, and is reported on page 2, line 7. The Company has entered into agreements with HPP for the provision of administrative services. These services amounted to approximately \$12,200,000 in 2004 and \$11,606,000 in 2003.

11. Debt

The Company has no Capital Notes or Other Debts to report.

12. Retirement Plan

A defined contribution plan is provided to substantially all employees of the Company. The Company contributes 7% of participating employees' annual compensation into the benefit plan. Company contributions were approximately \$1,150,000 in 2004 and \$1,027,000 in 2003.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

The Company has no Shareholder's Dividend Restrictions or Quasi-Reorganizations to report.

The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

- a. unrealized gains and losses: (\$1,405,098)
- b. nonadmitted asset values: (\$3,406,913)

Unrealized gains and losses consist of the following:

Unrealized gains/(losses) on Equity Investments	\$ 492,616
Unrealized gains/(losses) on HealthPlus Partners	(1,968,663)
Unrealized gains/(losses) on HealthPlus Options	<u>70,949</u>
	<u><u>\$(1,405,099)</u></u>

14. Contingencies

In the normal course of business, HealthPlus of Michigan is a party to certain legal matters. Management is of the opinion that resolution of these matters will not have a material effect on the Company's financial position or results of operations.

15. Leases

The Company leases office equipment under various operating lease agreements. The minimum aggregate rental commitments for these leases is as follows:

<u>Year Ended</u> <u>December 31</u>	<u>Operating</u> <u>Leases</u> <u>(in thousands)</u>
2005	\$298
2006	272
2007	248
2008	<u>121</u>
	<u><u>\$939</u></u>

Total rental expense for all operating leases was approximately \$239,000 in 2004, and \$201,000 in 2003.

Notes to Financial Statement

16. Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk.

None.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

None.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None.

20. September 11 events

None.

21. Other Items

The Company has no extraordinary items or other disclosures to report.

22. Events Subsequent

There were no events subsequent to the close of the books or accounts for this statement which may have a material effect on the financial condition of the Company.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the Company?
Yes () No (x)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
Yes () No (x)

Notes to Financial Statement

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?
Yes (x) No ()
- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.
\$ 0.
- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement?
\$ 0.
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
Yes () No (x)

Section 3 – Ceded Reinsurance – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.
\$ 0.
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
Yes () No (x)

(3) Uncollectible Reinsurance

None.

C. Commutation of Ceded Reinsurance

None.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

None.

Notes to Financial Statement

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves for incurred claims attributable to insured events of prior years has been increased (decreased) by (\$382,253) in 2004 and (\$939,462) in 2003 as a result of re-estimation of unpaid claims. This increase (decrease) is the result of ongoing analysis and original estimates are increased or decreased as additional information becomes known.

26. Intercompany Pooling Arrangements

None.

27. Structured Settlements

Not applicable.

28 Health Care Receivables

(a) Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Invoiced/ Confirmed	Actual rebates Collected Within 90 Days of Invoicing/ Confirmation	Actual Rebates Collected Within 91 to 180 Days of Invoicing/ Confirmation	Actual Rebates Collected More Than 180 Days After Invoicing/ Confirmation
12/31/2004	1,347,544	0	0	0	0
09/30/2004	1,251,654	1,345,854	94,200	0	0
06/30/2004	31,025	1,289,412	780,681	477,706	0
03/31/2004	3,168	1,225,647	1,015,893	206,586	0
12/31/2003	0	1,130,077	351,149	778,928	0
09/30/2003	0	1,087,514	390,685	696,829	0
06/30/2003	0	1,031,511	412,202	614,782	4,527
03/31/2003	0	827,354	225,552	468,861	132,941
12/31/2002	0	942,030	871,683	70,347	0
09/30/2002	0	883,280	612,564	230,076	40,640
06/30/2002	0	781,843	627,498	54,210	100,135
03/31/2002	0	739,348	553,721	87,153	98,474

(b) Risk Sharing Receivables

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated And Reported in the Prior Year	Risk Sharing Receivable as Estimated And Reported in the Current Year	Risk Sharing Receivable Invoiced	Risk Sharing Receivable Not Invoiced	Actual Risk Sharing Amounts Collected in Year Invoiced	Actual Risk Sharing Amounts Collected First Year Subsequent	Actual Risk Sharing Amounts Collected Second Year Subsequent	Actual Risk Sharing Amounts Collected – All Other
2004	2004	0	3,146,680	0	3,146,680	0	0	0	0
	2005	0	0	0	0	0	0	0	0
2003	2003	0	3,238,601	3,238,601	0	3,238,601	0	0	0
	2004	0	0	0	0	0	0	0	0
2002	2002	0	3,487,444	3,487,444	0	3,487,444	0	0	0
	2003	0	0	0	0	0	0	0	0
2001	2001	0	5,126,666	5,126,666	0	3,918,120	0	0	0
	2002	0	0	0	0	0	0	0	0

Notes to Financial Statement

29. Participating Policies

None.

30. Premium Deficiency Reserves

None.

31. Salvage and Subrogation

The Company took into account estimated coordination of benefits amounts in its determination of the liability for unpaid claims and reduced such liability by \$180,000.

SUMMARY INVESTMENT SCHEDULE

Investment Categories		Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
		1 Amount	2 Percentage	3 Amount	4 Percentage
1.	Bonds:				
1.1	U.S. treasury securities	699,738	0.845	699,738	0.850
1.2	U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21	Issued by U.S. government agencies	699,596	0.845	699,596	0.849
1.22	Issued by U.S. government sponsored agencies				
1.3	Foreign government (including Canada, excluding mortgage-backed securities)				
1.4	Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41	States, territories and possessions general obligations				
1.42	Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43	Revenue and assessment obligations				
1.44	Industrial development and similar obligations				
1.5	Mortgage-backed securities (includes residential and commercial MBS):				
1.51	Pass-through securities:				
1.511	Issued or Guaranteed by GNMA				
1.512	Issued or Guaranteed by FNMA and FHLMC	502,707	0.607	502,707	0.610
1.513	All other				
1.52	CMOs and REMICs:				
1.521	Issued or guaranteed by GNMA, FNMA or FHLMC or VA				
1.522	Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523	All other				
2.	Other debt and other fixed income securities (excluding short term):				
2.1	Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	2,118,118	2.557	2,118,118	2.572
2.2	Unaffiliated foreign securities				
2.3	Affiliated securities				
3.	Equity interests:				
3.1	Investments in mutual funds	8,547,796	10.320	8,547,796	10.378
3.2	Preferred stocks:				
3.21	Affiliated				
3.22	Unaffiliated				
3.3	Publicly traded equity securities (excluding preferred stocks):				
3.31	Affiliated				
3.32	Unaffiliated				
3.4	Other equity securities:				
3.41	Affiliated				
3.42	Unaffiliated				
3.5	Other equity interests including tangible personal property under lease:				
3.51	Affiliated				
3.52	Unaffiliated				
4.	Mortgage loans:				
4.1	Construction and land development				
4.2	Agricultural				
4.3	Single family residential properties				
4.4	Multifamily residential properties				
4.5	Commercial loans				
4.6	Mezzanine real estate loans				
5.	Real estate investments:				
5.1	Property occupied by company	5,125,591	6.188	5,125,591	6.223
5.2	Property held for production of income (includes \$..... of property acquired in satisfaction of debt)				
5.3	Property held for sale (\$..... including property acquired in satisfaction of debt)				
6.	Policy loans				
7.	Receivables for securities				
8.	Cash, cash equivalents and short-term investments	56,772,609	68.541	56,772,609	68.929
9.	Other invested assets	8,364,071	10.098	7,898,071	9.589
10.	Total invested assets	82,830,226	100.000	82,364,226	100.000

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
Michigan
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[X] No[]
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.

10/28/2004
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2003
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/1999
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

01/18/2001
- 3.4 By what department or departments?
Department of Consumer and Industry Services, Office of Financial & Insurance Services, Division of Insurance
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement)

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

 %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
		.. Yes[] No[X] .	.. Yes[] No[X] .	.. Yes[] No[X] .	.. Yes[] No[X] .	.. Yes[] No[X] .

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP Suite 1700, 500 Woodward, Detroit, MI, 48226
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Michael J. Cellini, ASA, MAAA, Ernst & Young, LLP, 5 Times Square, New York, NY, 10036
11. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 11.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 11.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[X]
- 11.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[X]
- 11.4 If answer to (11.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[] N/A[X]

BOARD OF DIRECTORS

12. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[] No[X]
13. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]

GENERAL INTERROGATORIES (Continued)

14. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person?

Yes☒ No☐

FINANCIAL

15.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

15.11 To directors or other officers

\$

15.12 To stockholders not officers

\$

15.13 Trustees, supreme or grand (Fraternal only)

\$

15.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

15.21 To directors or other officers

\$

15.22 To stockholders not officers

\$

15.23 Trustees, supreme or grand (Fraternal only)

\$

16.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes☐ No☒

16.2 If yes, state the amount thereof at December 31 of the current year:

16.21 Rented from others

\$

16.22 Borrowed from others

\$

16.23 Leased from others

\$

16.24 Other

\$

Disclose in Notes to Financial the nature of each obligation.

17.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes☐ No☒

17.2 If answer is yes:

17.21 Amount paid as losses or risk adjustment

\$

17.22 Amount paid as expenses

\$

17.23 Other amounts paid

\$

INVESTMENT

18. List the following capital stock information for the reporting entity:

	1	2	3	4	5	6
Class	Number of Shares Authorized	Number of Shares Outstanding	Par Value Per Share	Redemption Price If Callable	Is Dividend Rate Limited?	Are Dividends Cumulative?
1. Preferred	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
2. Common X X X .....	..... X X X .....	..... X X X

19.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits?

Yes☒ No☐

19.2 If no, give full and complete information, relating thereto:

20.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 16.1).

Yes☐ No☒

20.2 If yes, state the amount thereof at December 31 of the current year:

20.21 Loaned to others

\$

20.22 Subject to repurchase agreements

\$

20.23 Subject to reverse repurchase agreements

\$

20.24 Subject to dollar repurchase agreements

\$

20.25 Subject to reverse dollar repurchase agreements

\$

20.26 Pledged as collateral

\$

20.27 Placed under option agreements

\$

20.28 Letter stock or securities restricted as to sale

\$

20.29 Other

\$

20.3 For category (20.28) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....

21.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes☐ No☒

21.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes☐ No☐ N/A☒

If no, attach a description with this statement.

22.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes☐ No☒

22.2 If yes, state the amount thereof at December 31 of the current year.

\$

23. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?

Yes☒ No☐

23.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian's Address
Bank One Trust Company, N.A.	611 Woodward Avenue, Detroit, MI, 48226
Citizens Bank Wealth Management	328 S. Saginaw Street, Flint, MI 48502

23.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

GENERAL INTERROGATORIES (Continued)

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year?

23.04 If yes, give full and complete information relating thereto:

Yes[] No[X]

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

23.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
111223	CB Wealth Management	328 S. Saginaw St., Flint, MI 48502
.....	Bank One Trust Company, N.A.	611 Woodward Ave., Detroit, MI, 48226

24.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

24.2 If yes, complete the following schedule:

Yes[X] No[]

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
..... 681937835	One Group Equity Index Fund .....	..... 1,498,728
..... 68231N743	One Group Bond Fund .....	..... 1,973,253
..... 922031794	Vanguard Fixed Inc. Sec Fd GNMA #536 .....	..... 1,127,447
..... 922040100	Vanguard Instl Index Fd .....	..... 3,948,368
24.2999 Total .....	.....	..... 8,547,796

24.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
One Group Equity Index Fund	General Electric Co. ....	..... 50,657 ..	12/31/2004 ..
One Group Equity Index Fund	Exxon-Mobil Corp. ....	..... 43,313 ..	12/31/2004 ..
One Group Equity Index Fund	Microsoft Corp. ....	..... 38,068 ..	12/31/2004 ..
One Group Equity Index Fund	Citigroup, Inc. ....	..... 32,822 ..	12/31/2004 ..
One Group Equity Index Fund	Walmart Stores, Inc. ....	..... 29,375 ..	12/31/2004 ..
One Group Bond Fund	One Group Prime Money Market Fund, Class 1 .....	..... 79,127 ..	09/30/2004 ..
One Group Bond Fund	US Treasury Bonds, 12.0% 8/15/2013 .....	..... 52,883 ..	09/30/2004 ..
One Group Bond Fund	US Treasury Bonds, 12.75% 11/15/2010 .....	..... 51,502 ..	09/30/2004 ..
One Group Bond Fund	US Treasury Bonds, 10.38% 11/15/2012 .....	..... 34,729 ..	09/30/2004 ..
One Group Bond Fund	US Treasury Notes, 6.5% 2/15/2010 .....	..... 29,401 ..	09/30/2004 ..
Vanguard Fixed Inc. Sec Fd GNMA #536	GNMA 5.5% .....	..... 443,087 ..	12/31/2004 ..
Vanguard Fixed Inc. Sec Fd GNMA #536	GNMA 6.0% .....	..... 287,449 ..	12/31/2004 ..
Vanguard Fixed Inc. Sec Fd GNMA #536	GNMA 5.0% .....	..... 215,342 ..	12/31/2004 ..
Vanguard Fixed Inc. Sec Fd GNMA #536	GNMA 6.5% .....	..... 107,107 ..	12/31/2004 ..
Vanguard Fixed Inc. Sec Fd GNMA #536	GNMA 7.0% .....	..... 41,716 ..	12/31/2004 ..
Vanguard Instl Index Fd	General Electric Co. ....	..... 126,348 ..	06/30/2004 ..
Vanguard Instl Index Fd	Microsoft Corp. ....	..... 114,503 ..	06/30/2004 ..
Vanguard Instl Index Fd	Exxon-Mobil Corp. ....	..... 106,606 ..	06/30/2004 ..
Vanguard Instl Index Fd	Pfizer, Inc. ....	..... 94,761 ..	06/30/2004 ..
Vanguard Instl Index Fd	Citigroup, Inc. ....	..... 90,812 ..	06/30/2004 ..

25 Provide the following information for all short term and long term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over statement (+)
25.1 Bonds .....	..... 4,020,159 .....	..... 4,179,554 .....	..... 159,395
25.2 Preferred stocks .....	.....	.....	.....
25.3 Totals .....	..... 4,020,159 .....	..... 4,179,554 .....	..... 159,395

25.4 Describe the sources of methods utilized in determining the fair values
Fair values are provided by the Company's investment custodians.

GENERAL INTERROGATORIES (Continued)

26.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed?

26.2 If no, list exceptions:

Yes[X] No[]

OTHER

27.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

27.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

\$..... 111,024

1 Name	2 Amount Paid
American Association of Health Plans	56,371
Michigan Association of Health Plans	54,653

28.1 Amount of payments for legal expenses, if any?

28.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

\$..... 394,589

1 Name	2 Amount Paid
Williams Firm	139,936
Foster, Swift, Collins & Smith	103,235

29.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

29.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

\$..... 52,125

1 Name	2 Amount Paid
The DLT Group	52,125

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only:

\$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$
- 1.6 Individual policies - Most current three years:
- 1.61 Total premium earned

\$
- 1.62 Total incurred claims

\$
- 1.63 Number of covered lives

\$
- All years prior to most current three years:
- 1.64 Total premium earned

\$
- 1.65 Total incurred claims

\$
- 1.66 Number of covered lives

\$
- 1.7 Group policies - Most current three years:
- 1.71 Total premium earned

\$
- 1.72 Total incurred claims

\$
- 1.73 Number of covered lives

\$
- All years prior to most current three years:
- 1.74 Total premium earned

\$
- 1.75 Total incurred claims

\$
- 1.76 Number of covered lives

\$

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator	365,381,075	328,602,269
2.2	Premium Denominator	365,381,075	328,602,269
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4	Reserve Numerator	47,792,350	43,215,571
2.5	Reserve Denominator	47,792,350	43,215,571
2.6	Reserve Ratio (2.4 / 2.5)	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?

Yes[X] No[]
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[X]
- 5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical

\$ 550,000
- 5.32 Medical Only

\$
- 5.33 Medicare Supplement

\$
- 5.34 Dental

\$
- 5.35 Other Limited Benefit Plan

\$
- 5.36 Other

\$
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
Provider contracts provide for continuation of services and hold-harmless language. An insolvency rider is also in place.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service data base?

Yes[X] No[]
- 7.2 If no, give details:
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year

..... 1358
- 8.2 Number of providers at end of reporting year

..... 1426
- 9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months

..... 0
- 9.22 Business with rate guarantees over 36 months

..... 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[X] No[]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses

\$
- 10.22 Amount actually paid for year bonuses

\$ 5,549,925
- 10.23 Maximum amount payable withholds

\$ 6,550,973
- 10.24 Amount actually paid for year withholds

\$ 3,665,726
- 11.1 Is the reporting entity organized as:
- 11.12 A medical Group/Staff Model,

Yes[] No[X]
- 11.13 An Individual Practice Association (IPA), or,

Yes[] No[X]
- 11.14 A Mixed Model (combination of above)?

Yes[X] No[]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes[X] No[]
- 11.3 If yes, show the name of the state requiring such net worth.
Michigan
- 11.4 If yes, show the amount required.

\$ 14,615,243
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]
- 11.6 If the amount is calculated, show the calculation.
The greater of \$1,500,000, four percent of subscription revenue, or three month's uncovered expenditures.
12. List service areas in which the reporting entity is licensed to operate:

GENERAL INTERROGATORIES (Continued)

1
Name of Service Area
Arenac County, MI
Bay County, MI
Saginaw County, MI
Tuscola County, MI
Shiawassee County, MI
Genesee County, MI
Lapeer County, MI
Portions of Oakland County, MI
Portions of Livingston County, MI
Portions of St. Clair County, MI
Portions of Sanilac County, MI
Portions of Huron County, MI
Portions of Midland County, MI

FIVE-YEAR HISTORICAL DATA

	1 2004	2 2003	3 2002	4 2001	5 2000
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	91,123,867	81,546,425	82,375,089	77,061,754	80,312,267
2. Total liabilities (Page 3, Line 22)	57,685,994	52,985,193	57,458,303	52,013,517	52,633,741
3. Statutory surplus	14,615,243	13,144,091	15,806,992	13,764,210	12,277,852
4. Total capital and surplus (Page 3, Line 30)	33,437,873	28,561,232	24,916,786	25,048,237	27,678,526
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 8)	365,381,075	328,602,269	401,917,061	344,105,261	306,946,296
6. Total medical and hospital expenses (Line 18)	333,828,994	302,129,822	371,801,984	318,318,839	283,163,960
7. Claims adjustment expenses (Line 20)	6,415,133	5,642,167			
8. Total administrative expenses (Line 21)	19,452,340	17,026,205	29,492,759	27,251,268	25,618,212
9. Net underwriting gain (loss) (Line 24)	5,684,608	3,804,075	(791,089)	(2,520,655)	(2,951,878)
10. Net investment gain (loss) (Line 27)	1,199,992	1,096,009	1,542,033	3,045,609	3,913,691
11. Total other income (Lines 28 plus 29)	36,146	29,159	38,031	(99,393)	5,833
12. Net income or (loss) (Line 32)	6,920,746	4,929,243	788,975	425,561	967,646
RISK-BASED CAPITAL ANALYSIS					
13. Total adjusted capital	33,437,873	28,561,232	24,916,786	25,048,237	27,678,526
14. Authorized control level risk-based capital	14,304,774	13,088,051	11,598,572	10,272,115	8,722,463
ENROLLMENT (Exhibit 1)					
15. Total members at end of period (Column 5, Line 7)	103,266	107,616	163,673	159,145	149,898
16. Total members months (Column 6, Line 7)	1,258,910	1,287,996	1,962,261	1,868,993	1,817,967
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5)x 100.0					
17. Premiums earned (Lines 2 plus 3)	100.0	100.0	100.0	100.0	100.0
18. Total hospital and medical (Line 18)	91	92	94	93	92
19. Cost containment expenses	1	X X X	X X X	X X X	X X X
20. Other claims adjustment expenses	1				
21. Total underwriting deductions (Line 23)	98	99	102	101	101
22. Total underwriting gain (loss) (Line 24)	2	1	0	(1)	(1)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
23. Total claims incurred for prior years (Line 12, Column 5)	39,410,873	49,759,802	42,774,689	44,103,003	46,438,084
24. Estimated liability of unpaid claims-[prior year (Line 12, Column 6)]	39,976,971	50,315,687	44,783,127	45,772,221	47,252,673
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
25. Affiliated bonds (Sch. D Summary, Line 25, Column 1)					
26. Affiliated preferred stocks (Sch. D Summary, Line 39, Column 1)					
27. Affiliated common stocks (Sch. D Summary, Line 53, Column 2)					
28. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Column 5, Line 11)					
29. Affiliated mortgage loans on real estate					
30. All other affiliated	7,898,071	7,295,785	415,620	306,216	411,342
31. Total of above Lines 25 to 30	7,898,071	7,295,785	415,620	306,216	411,342

SCHEDULE D - SUMMARY BY COUNTRY
Long-term Bonds and Stocks OWNED December 31 of Current Year

Description			1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1.	United States	1,399,334	1,438,483	1,397,850	1,400,000
	2.	Canada				
	3.	Other Countries				
	4.	Totals	1,399,334	1,438,483	1,397,850	1,400,000
States, Territories and Possessions (Direct and Guaranteed)	5.	United States				
	6.	Canada				
	7.	Other Countries				
	8.	Totals				
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	9.	United States				
	10.	Canada				
	11.	Other Countries				
	12.	Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13.	United States	502,707	514,065	511,465	500,000
	14.	Canada				
	15.	Other Countries				
	16.	Totals	502,707	514,065	511,465	500,000
Public Utilities (unaffiliated)	17.	United States				
	18.	Canada				
	19.	Other Countries				
	20.	Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21.	United States	2,118,118	2,227,006	2,123,859	2,100,000
	22.	Canada				
	23.	Other Countries				
	24.	Totals	2,118,118	2,227,006	2,123,859	2,100,000
Parent, Subsidiaries and Affiliates	25.	Totals				
	26.	Total Bonds	4,020,159	4,179,554	4,033,174	4,000,000
PREFERRED STOCKS Public Utilities (unaffiliated)	27.	United States				
	28.	Canada				
	29.	Other Countries				
	30.	Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31.	United States				
	32.	Canada				
	33.	Other Countries				
	34.	Totals				
Industrial and Miscellaneous (unaffiliated)	35.	United States				
	36.	Canada				
	37.	Other Countries				
	38.	Totals				
Parent, Subsidiaries and Affiliates	39.	Totals				
	40.	Total Preferred Stocks				
COMMON STOCKS Public Utilities (unaffiliated)	41.	United States				
	42.	Canada				
	43.	Other Countries				
	44.	Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45.	United States				
	46.	Canada				
	47.	Other Countries				
	48.	Totals				
Industrial and Miscellaneous (unaffiliated)	49.	United States	8,547,796	8,547,796	8,066,063	
	50.	Canada				
	51.	Other Countries				
	52.	Totals	8,547,796	8,547,796	8,066,063	
Parent, Subsidiaries and Affiliates	53.	Totals				
	54.	Total Common Stocks	8,547,796	8,547,796	8,066,063	
	55.	Total Stocks	8,547,796	8,547,796	8,066,063	
	56.	Total Bonds and Stocks	12,567,955	12,727,350	12,099,237	

SCHEDULE D - Verification Between Years

1. Book/adjusted carrying value of bonds and stocks, prior year	<u>11,905,979</u>	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 7, Part 3.....	<u>1,171,584</u>	6.1 Column 15, Part 1.....	
3. Increase (decrease) by adjustment:		6.2 Column 19, Part 2, Section 1.....	
3.1 Columns 12 + 13 - 14, Part 1.....	<u>(3,956)</u>	6.3 Column 16, Part 2, Section 2.....	
3.2 Column 18, Part 2, Section 1.....		6.4 Column 15, Part 4.....	
3.3 Column 15, Part 2, Section 2.....	<u>416,222</u>		
3.4 Column 14, Part 4.....	<u>76,784</u>	7. Book/adjusted carrying value at end of current period.....	<u>12,567,955</u>
4. Total gain (loss), Column 19, Part 4.....	<u>(67,364)</u>	8. Total valuation allowance.....	
5. Deduct consideration for bonds and stocks disposed of		9. Subtotal (Lines 7 plus 8).....	<u>12,567,955</u>
Column 7, Part 4.....	<u>931,294</u>	10. Total nonadmitted assets.....	
		11. Statement value of bonds and stocks, current period.....	<u>12,567,955</u>

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
Allocated by States and Territories

		1	2	Direct Business Only					
				3	4	5	6	7	8
State, Etc.		Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Deposit-Type Contract Funds	Property/Casualty Premiums
1.	Alabama (AL)	No	No						
2.	Alaska (AK)	No	No						
3.	Arizona (AZ)	No	No						
4.	Arkansas (AR)	No	No						
5.	California (CA)	No	No						
6.	Colorado (CO)	No	No						
7.	Connecticut (CT)	No	No						
8.	Delaware (DE)	No	No						
9.	District of Columbia (DC)	No	No						
10.	Florida (FL)	No	No						
11.	Georgia (GA)	No	No						
12.	Hawaii (HI)	No	No						
13.	Idaho (ID)	No	No						
14.	Illinois (IL)	No	No						
15.	Indiana (IN)	No	No						
16.	Iowa (IA)	No	No						
17.	Kansas (KS)	No	No						
18.	Kentucky (KY)	No	No						
19.	Louisiana (LA)	No	No						
20.	Maine (ME)	No	No						
21.	Maryland (MD)	No	No						
22.	Massachusetts (MA)	No	No						
23.	Michigan (MI)	No	Yes	316,176,974	41,883,300		7,413,312		
24.	Minnesota (MN)	No	No						
25.	Mississippi (MS)	No	No						
26.	Missouri (MO)	No	No						
27.	Montana (MT)	No	No						
28.	Nebraska (NE)	No	No						
29.	Nevada (NV)	No	No						
30.	New Hampshire (NH)	No	No						
31.	New Jersey (NJ)	No	No						
32.	New Mexico (NM)	No	No						
33.	New York (NY)	No	No						
34.	North Carolina (NC)	No	No						
35.	North Dakota (ND)	No	No						
36.	Ohio (OH)	No	No						
37.	Oklahoma (OK)	No	No						
38.	Oregon (OR)	No	No						
39.	Pennsylvania (PA)	No	No						
40.	Rhode Island (RI)	No	No						
41.	South Carolina (SC)	No	No						
42.	South Dakota (SD)	No	No						
43.	Tennessee (TN)	No	No						
44.	Texas (TX)	No	No						
45.	Utah (UT)	No	No						
46.	Vermont (VT)	No	No						
47.	Virginia (VA)	No	No						
48.	Washington (WA)	No	No						
49.	West Virginia (WV)	No	No						
50.	Wisconsin (WI)	No	No						
51.	Wyoming (WY)	No	No						
52.	American Samoa (AS)	No	No						
53.	Guam (GU)	No	No						
54.	Puerto Rico (PR)	No	No						
55.	U.S. Virgin Islands (VI)	No	No						
56.	Canada (CN)	No	No						
57.	Aggregate other alien (OT)	X X X	X X X						
58.	TOTAL (Direct Business)	X X X	(a). 1	316,176,974	41,883,300		7,413,312		
DETAILS OF WRITE-INS									
5701									
5702									
5703									
5798.	Summary of remaining write-ins for Line 57 from overflow page								
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)								

(a) Insert the number of yes responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

